

EXHIBIT 12



ASIC

Australian Securities & Investments Commission

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07-332 ASIC launches civil penalty action against former officers of AWB

Wednesday 19 December 2007

ASIC has commenced civil penalty proceedings in the Supreme Court of Victoria against six former directors and officers of AWB Limited (AWB).

ASIC alleges that the defendants contravened section 180 of the Corporations Act, which requires company officers to act with care and diligence, and section 181, which requires company officers to discharge their duties in good faith and for a proper purpose.

ASIC is asking the Court for declarations that each defendant has breached the law, the imposition of pecuniary penalties (for each breach a maximum of \$200,000), and disqualification of each defendant from managing a corporation.

These actions arise out of investigations following Cole Inquiry. The structure of those investigations is as follows:

- (a) The AFP and Victoria Police are investigating criminal breaches of both Commonwealth and Victorian law (which investigations continue).
- (b) ASIC is responsible for investigations under the ASIC Act, possible civil and criminal breaches of the Corporations Act.

Investigations into civil penalty proceedings was given more priority by ASIC because of the statute of limitation periods which apply to those actions and which do not apply to possible criminal proceedings (which investigations by ASIC continue). Commissioner Cole examined 27 contracts between AWB and the Iraqi Grain Board (IGB). The Corporations Act limits the time for the commencement of civil penalty proceedings to six years. The time limit had expired for 20 of the contracts when the Cole Inquiry concluded in November 2006 and two expired in February and June 2007.

The contracts covered by ASIC's proceedings were entered into between 20 December 2001 and 11 December 2002 and involved the payment of AUD\$126.3 million in breach of UN sanctions.

The defendants in the ASIC actions are:

- Andrew Lindberg, the former Managing Director of AWB;
- Trevor Flugge, the former Chairman of AWB;
- Peter Geary, the former Group General Manager Trading of AWB;
- Paul Ingleby, the former Chief Financial Officer of AWB;
- Michael Long, the former General Manager of International Sales and Marketing for AWB (2001-2006); and
- Charles Stott, the former General Manager of International Sales and Marketing for AWB (2000-2001).

ASIC alleges that these officers breached their duties under the Corporations Act in connection with AWB's contracts with the IGB under the United Nations (UN) Oil-for-Food Program, which contained payments for purported inland transportation fees (ITF). The ITF payments were made to Alia, a Jordanian company partly owned by the Iraqi Ministry of Transport.

ASIC alleges that Messrs Long, Geary and Stott were officers of AWB who:

- knew of and implemented various AWB contracts that included the purported inland transportation fees;
- were aware or ought to have been aware that the fees were not genuine; and
- knew or ought to have known that the fees were, or were likely to be, contraventions of the UN sanctions upon trade with Iraq.

ASIC alleges that Messrs Lindberg, Flugge and Ingleby:

- knew, or ought to have known, about the AWB contracts that included the purported inland transportation fees;
- had obligations to make reasonable inquiries to ensure that AWB complied with obligations under UN sanctions upon trade with Iraq;
- were aware, or ought to have been aware, that the fees were not genuine; and
- knew, or ought to have known, that the fees were, or were likely to be, contraventions of the UN sanctions.

The regulator further alleges that all defendants caused harm to AWB through their conduct.

ASIC Chairman, Tony D'Aloisio said 'We have commenced these actions as we believe that the conduct of the directors and officers in these circumstances fell short of what the law requires in relation to the management and supervision of corporations'.

Background

ASIC alleges the payment of the inland transportation fees were in breach of UN Sanctions on Trade with Iraq, in particular Resolution 661, which prevented member states from making any payments that resulted in funds being made available to the Government of Iraq.

The regulator also believes Resolution 986 was breached. This resolution required funds from the UN Oil-for-Food program to be used exclusively to meet the humanitarian needs of the Iraqi population.

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